

U.S. Department of Housing and Urban Development

RELOCATION ASSISTANCE TO DISPLACED BUSINESSES,
NONPROFIT ORGANIZATIONS AND FARMS

Introduction

This booklet describes the relocation payments and other relocation assistance provided under the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended** (URA) to displaced businesses, nonprofit organizations and farms. This includes any such occupant that moves from real property, or moves personal property from real property, as a direct result of rehabilitation, demolition or acquisition for a Federal project or a project in which Federal funds are used.

If you are notified that you will be displaced, it is important that you **do not move** before you learn what you must do to receive the relocation payments and other assistance to which you are entitled.

Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

This booklet may not answer all of your questions. If you have more questions about your relocation, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you move. Afterwards, it may be too late.

Summary of Relocation Assistance

As an eligible displaced person, you will be offered the following advisory and financial assistance:

- **Advisory Services.** These include referrals to suitable replacement locations, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.
- **Payment for Moving and Reestablishment Expenses.** Payments for moving, reestablishment and related expenses fall into two general categories:

* Every displaced person is eligible to receive a **Payment for**

Actual Reasonable Moving and Related Expenses. If you choose this payment, you may also be eligible for a **Payment for Reestablishment Expenses**, up to \$10,000.

- * Certain persons are eligible to choose a **Fixed Payment** as an alternative to the payments for moving and reestablishment expenses.

If you disagree with the Agency's decision as to the relocation assistance for which you are eligible, you may appeal that decision.

General Questions

How Will I Know I Am Eligible For Relocation Assistance?

You should receive a written notice explaining your eligibility for relocation assistance. You should not move before receiving that notice. If you do, you may not be eligible for relocation assistance.

How Will The Agency Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Agency to determine your relocation needs and preferences for a replacement location and other services. The interviewer will ask about such matters as your space requirements. It is to your advantage to provide the information so that the Agency can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

How Soon Will I Have To Move?

Every reasonable effort will be made to provide you with sufficient time to find and reestablish your business in a suitable replacement location. If possible, a mutually agreeable date for the move will be worked out. You will be given enough time to make plans for moving. Unless there is a health or safety emergency, you will not be required to move without at least 90 days advance written notice. It is important, however, that you keep in close contact with the Agency so that you are aware of the time schedule for carrying out the project and the approximate date by which you will have to move.

How Will I Find A Replacement Location?

The Agency will provide you with current information on available replacement locations that meet your needs. The Agency may also

provide you with the names of real estate agents and brokers who can assist you in finding the type of replacement location you need.

While the Agency will assist you in obtaining a suitable replacement location, you should take an active role in finding and relocating to a location of your choice. No one knows your needs better than you. You will want a facility that provides sufficient space for your planned activities. You will also want to assure that there are no zoning or other requirements which will unduly restrict your planned operations.

The Agency will explain the kinds of moving and reestablishment costs that are eligible for repayment and which are not eligible. That will enable you to carry out your move in the most advantageous manner.

What Other Assistance Will Be Available To Help Me?

In addition to help in finding a suitable replacement location, other assistance, as necessary, will be provided by the Agency. This includes information on Federal, State, and local programs that may be of help in reestablishing a business. For example, the Small Business Administration (SBA) provides managerial and technical assistance to some businesses. The Agency will assist you in applying for help available from government agencies.

The range of services depends on the needs of the business being displaced. You should ask the Agency representative to tell you about the specific services that will be available to help you.

I Have A Replacement Location And Want To Move. What Should I Do?

Before you make any arrangements to move, notify the Agency, in writing, of your intention to move. This should be done at least 30 days before the date you begin your move. The Agency will discuss the move with you and advise you of the relocation payment(s) for which you may be eligible, the requirements to be met, and how to obtain a payment.

I Plan To Discontinue My Business Rather Than Move. What Should I Do?

If you have decided to discontinue your business rather than reestablish, you may still be eligible to receive a payment. Contact the Agency and discuss your decision to discontinue your business. You will be informed of the payment, if any, for which you may be eligible and the requirements that must be met to obtain the payment.

I Own This Property. Will I Be Paid For It Before I Have To Move?

If you reach a negotiated agreement to sell your property to a public agency, you will not be required to move before you receive the agreed purchase price. If the property is acquired through an eminent domain proceeding, you cannot be required to move before the estimated fair market value of the property has been deposited with the court. (You should be able to withdraw this amount immediately, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.)

Ask the Agency to provide you a copy of the HUD information brochure, *When a Public Agency Acquires Your Property*. If you have any questions about the acquisition of your property, please contact the public agency.

What Is A Payment For Actual Reasonable Moving And Related Expenses?

If you choose a Payment For Actual Reasonable Moving and Related Expenses, you may include in your claim the reasonable and necessary cost of:

- Transportation of personal property from your present location to the replacement location. (Generally, transportation costs are limited to a distance of 50 miles. If you plan to move beyond 50 miles, discuss your planned move with the Agency.)
- Packing, crating, uncrating, and unpacking the personal property.
- Disconnecting, dismantling, removing, reassembling, and installing relocated and "substitute" machinery, equipment and other personal property. This includes connection to utilities available nearby. It also includes modifications to the personal property that are necessary to adapt it to the replacement structure, the replacement site or the utilities at the replacement site and modifications necessary to adapt the utilities at the replacement site to the personal property.
- Storage of personal property for a reasonable period of time, if required.

- Insurance for the replacement value of the personal property in connection with the move and necessary storage. Where insurance is not available on reasonable terms, the Agency may elect to "self-insure" the replacement value of property lost, stolen, or damaged in the move (but not through your neglect).
- Any license, permit or certification required of the displaced person at the replacement location. However the cost must be reasonable and necessary to reestablishment at the replacement location and the payment may be based on the remaining useful life of the existing license, permit, or certification.
- Professional services, necessary for (1) planning the move of the personal property, (2) moving the personal property, or (3) installing relocated or "substitute" personal property at the replacement location.
- Relettering signs and replacing stationery on hand at the time of the displacement and made obsolete as a result of move.
- The reasonable cost incurred in attempting to sell an item that is not relocated.
- Actual direct loss of tangible personal property. This payment provides compensation for property that is neither moved nor promptly replaced with a "substitute" item at the replacement location. Payment is limited to the lesser of: (1) the estimated cost of moving and reinstalling the personal property or (2) the market value of the property for its continued use at the old location, less any proceeds from its sale. To be eligible, you must make a good faith effort to sell the property, unless the Agency determines that such effort is not necessary. Payment for the loss of goods held for sale shall not exceed the cost of the goods to the displaced person.
- Purchase and installation of "substitute" personal property. This payment is made when an item of personal property is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site. Payment will be limited to the lesser of: (1) the estimated cost of moving and reinstalling the item, or (2) the actual cost of the substitute item delivered and installed at the replacement location, less any proceeds from the sale or trade-in of the replaced item. It is important that you discuss your plans with the Agency before you proceed.
- Searching for a replacement location. Generally, this payment

may not exceed \$1,000. It covers costs for:

- * Transportation expenses.
- * Time spent searching for a replacement location, based on reasonable salary or earnings.
- * Reasonable fees paid to a real estate agent or broker to find a replacement location (not fees related to the purchase of the site).
- * Meals and lodging away from home.

The Agency will explain all eligible moving and related costs, as well as those which are not eligible. You must be able to account for all costs that you incur; so keep all your receipts. The Agency will inform you of the documentation needed to support your claim.

You may minimize the amount of documentation needed to support your claim, if you elect to "self-move" your personal property. Payment for a self-move is based on the amount of an acceptable low bid or estimate obtained by the Agency. If you self-move, you may move your personal property using your own employees and equipment or a commercial mover. If you and the Agency cannot agree on an acceptable amount to cover the cost of the "self-move," you will have to submit full documentation in support of your claim.

You may elect to pay your moving costs yourself and be repaid by the Agency or, if you prefer, you may have the Agency pay the mover. In either case, select your mover with care. The Agency can help you select a reliable and reputable mover.

Also, keep the Agency informed about your moving plans. You must provide the Agency reasonable advance written notice of the approximate date of the start of your move or disposition of your personal property and a list of the items to be moved, unless the Agency agrees to waive this requirement. And you must permit the Agency to make reasonable and timely inspections of the personal property at the old and new locations and to monitor the move.

When a payment for "actual direct loss of personal property" or "substitute personal property" is made for an item, the estimated cost of moving the item will be based on the lowest acceptable bid or estimate obtained by the Agency. If not sold or traded in, you must transfer ownership of the item to the Agency in order to receive the payment.

What Is A Payment For Reestablishment Expenses?

If you choose to receive a payment for your actual moving and

related expenses, you may also be eligible to receive Payment for Reestablishment Expenses, not to exceed \$10,000. Such expenses include the reasonable and necessary cost of:

- Repairs or improvements to the replacement real property as required by Federal, State or local law, code or ordinance.
- Modifications to the replacement property to accommodate the business operation or make a replacement structure suitable for conducting the business.
- Construction and installation costs for exterior signs to advertise the business.
- Provision of utilities from the right-of-way to improvements on the replacement site.
- Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, panelling or carpeting.
- Licenses, fees and permits that are not paid as part of moving expenses.
- Feasibility surveys, soil testing and marketing studies.
- Advertisement of the replacement location.
- Professional services and incidental expenses in connection with the purchase or lease of a replacement property.
- Estimated increased costs of operation during the first 2 years at the replacement site for such items as (1) lease or rental charges, (2) personal or real property taxes, (3) insurance premiums, and (4) utility charges, excluding impact fees.
- Impact fees or one-time assessments for anticipated heavy utility usage.

What Is A Fixed Payment (Alternative Allowance)?

Certain businesses, nonprofit organizations and farms are eligible to obtain a Fixed Payment (Alternative Allowance). If you receive this payment, you will not receive a Payment for Actual Reasonable Moving and Related Expenses or a Payment for Reestablishment Expenses. The Fixed Payment to a business or farm operation is based on the average annual net earnings of the

business or farm operation; the Fixed Payment to a nonprofit organization is based on average annual expenses and revenue. A Fixed Payment will not be less than \$1,000, nor more than \$20,000.

To qualify for a Fixed Payment:

- A displaced business must (1) either discontinue operations or be unable to relocate without a substantial loss of existing patronage (measured in terms of clientele or net earnings at the discretion of the Agency), (2) meet certain minimum income requirements, and (3) not be part of a commercial enterprise having more than three other entities under the same ownership, engaged in the same or similar business activities, that are not being displaced. (Also, certain rental businesses are excluded.)
- A displaced nonprofit organization must discontinue operations or be unable to relocate without a substantial loss of its existing patronage.
- A displaced farm operation must meet certain minimum income requirements.

Ordinarily, to be eligible for the minimum Fixed Payment, a displaced business or farm must have (1) had average annual gross receipts of at least \$5,000, or (2) had average annual net earnings of at least \$1,000, or (3) contributed 1/3 of the owner's or operator's average gross income, for the two tax years prior to displacement. The Agency, however, may use other criteria if it determines that the test would cause an inequity or hardship.

The Agency will inform you as to your eligibility for this payment and the documentation you must submit to support your claim.

Remember, when you elect to take this payment you are not entitled to reimbursement for any other moving expenses.

Must I File A Claim For A Relocation Payment?

Yes. You must file a claim for a relocation payment. The Agency will, however, provide you with the required claim form, help you to complete it, and explain the type of documentation that you must submit in order to receive the payment.

If you must pay any relocation expenses before you move (e.g., a security deposit to lease a new location), discuss your needs

with the Agency. You should be able to obtain an advance payment. An advance payment may be placed in "escrow" to ensure that the move will be completed on a timely basis.

If you are a tenant, you must file your claim within 18 months after the date you move. If you are displaced from property that you own, you must file within 18 months after the later of: the date you move, or the date you receive the final acquisition payment. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. If you are unable to file your claim within 18 months, ask the Agency to extend this period.

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified, in writing, of the problem and the action you must take to resolve the matter.

Will I Have To Pay Rent To The Agency Before I Move?

If the Agency acquires your property, you may be required to pay a fair rent to the Agency for the period between the acquisition of the property and the date that you move. Such rent will not exceed the market rent for comparable properties in the area.

Do I Have To Pay Federal Income Taxes On My Relocation Payments?

No. Section 216 of the URA states that you need not report relocation payments as part of your gross income for Federal tax purposes. For information on State or local income taxes, you should check with the State or local income tax office in your area or with your personal tax advisor.

If I Don't Receive The Required Assistance, Can I Appeal?

Yes. If you disagree with the Agency's decision as to your right to a relocation payment or the amount of a payment, you may appeal the decision to the Agency. The Agency will inform you of its appeal procedures. At a minimum, you will have 60 days to file your appeal with the Agency after you receive written notification of the Agency's determination on your claim. Your appeal must be in writing. However, if you need help, the Agency will assist you in preparing your appeal.

If you are not satisfied with the Agency's final decision on your appeal, you may seek review of the matter by the courts.

I Have More Questions. Who Will Answer Them?

If you have further questions after reading this booklet, contact the Agency and discuss your concerns with the Agency representative.

Agency _____

Address _____

Office Hours _____ Telephone Number _____

Person to Contact _____

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